

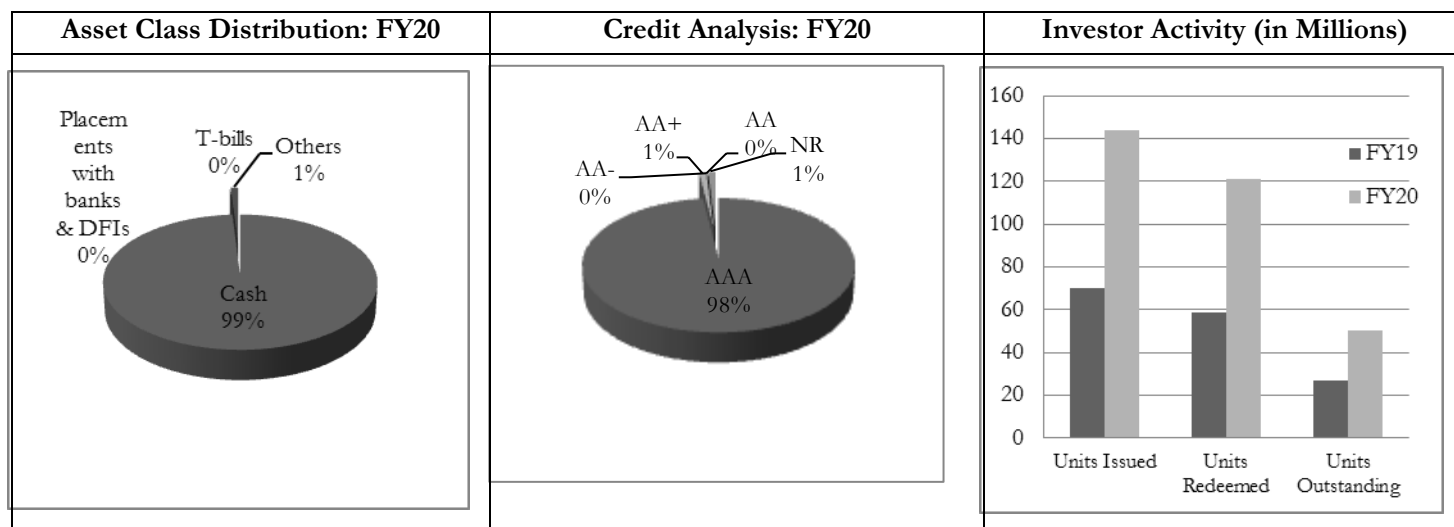
Date: January 08, 2021

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Investment Objective

To generate competitive returns maintaining a low risk portfolio to provide a regular stream of income and easy liquidity to its investors through major investments in short term government securities

UBL Money Market Fund (Formerly UBL Savings Income Fund)		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f)	AA(f)
	Jan 1, 2021	Dec 31, 2019
Asset Management Company	UBL Fund Managers Limited	
External Auditors - Fund	KPMG – Taseer Hadi & Co.	
Fund Manager	Mr. Syed Sheeraz Ali	
Trustee	Central Depository Company Ltd.	
Front-end Load	1%	
Management Fee	5% of gross earnings (with min fee of 0.25% p.a & max fee of 1% p.a.)	
Benchmark	70% Average of 3M PKRV rates + 30% 3M average deposit rate of 3 AA rated banks as selected by MUFAP.	



Launched in 2010 UBL Money Market Fund (UMMF) is an open-end money market fund managed by UBL fund Managers Limited (UBL FM). The funds objective is to provide a regular stream of income and easy liquidity to its investors through deploying assets in short-term money market instruments and government securities.

The fund’s Investment Policy Statement (IPS) holds a conservative profile stating that the fund is required to invest in debt instruments and securities in a minimum credit quality of ‘AA’

During FY20, net assets of the fund witnessed an increase closing at 5b end-June’20 (FY19: 2.7b)

Table 1: Asset Class Composition as per IPS

	Maximum exposure (% of net assets)	Minimum exposure (% of net assets)	Minimum Rating
Instruments	100%	20%	GoP/AA and above
Cash in bank accounts (excluding TDRs) and readily convertible T-bills	100%	0%	GoP
Government securities (PIBs, T-Bills, Ijarah Sukuks etc.)	100%	0%	AA
Placement and Certificate of Investment (COI) with DFIs	70%	0%	AA
Reverse Repo against Government	70%	0%	GOP/AA and above
Commercial papers	30%	0%	AA

Asset Allocation:
Table 2: Actual Asset Allocation

	FY19	FY20	Average FY20
Cash	87%	99%	48%
Placement with banks/DFIs	12%	0%	10%
T-Bills	0%	0%	40%
Others	1%	1%	2%

The fund's IPS states no minimum exposure in cash and cash equivalents, UMMF majorly complied with the guidelines of its offering document and no breach was witnessed during the period under review. During FY20, the fund's asset allocation plan remained primarily concentrated its cash balances and T-bills at 48% and 40% respectively.

Credit Quality:
Table 3: Credit Analysis

	Minimum	Maximum	Average
AAA	7%	99%	65%
AA+	0%	74%	19%
AA	0%	28%	8%
NR	0%	9%	2%

As per the fund's IPS, UMMF is restricted to take exposure by allocating its assets in debt instruments and securities with a minimum credit quality of 'AA' The fund

majorly complied with this requisite for the assigned rating.

Market Risk:

WAM of the fund is capped at 90 days in order to manage adverse movements in interest rates. Maximum WAM of the fund was reported at 87 days end-Apr'20 therefore complying with the IPS.

Fund Performance:

The fund's return has been benchmarked against 70:30 mix of 3 months PKRV rates and 3 months TDR rates (of AA rated scheduled banks as selected by MUFAP) respectively. During FY20, the fund generated a return of 12.12% (FY19: 8.54%) out-performing its benchmark of 11.65% (FY19: 8.72%) During the year, the fund's relative ranking declined to being ranked 12th out of a total of 21 funds in the category (15/20) Given the fund's asset mix comprising government securities and cash, ability to meet redemptions is considered adequate.

Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
RATING TYPE: Fund Stability				
1-Jan-21	AA+(f)			Upgrade
31-Dec-19	AA(f)			Reaffirmed
31-Dec-18	AA(f)			Reaffirmed
29-Dec-17	AA(f)			Reaffirmed
29-Dec-16	AA(f)			Reaffirmed
06-Jan-16	AA(f)			Reaffirmed
18-Aug-14	AA(f)			Upgrade
18-Apr-13	AA- (f)			Reaffirmed
29-Mar-12	AA- (f)			Harmonized
20-May-11	AA- (f)			Initial

FINANCIAL SUMMARY		<i>(amounts in PKR millions)</i>	
<u>BALANCE SHEET</u>		FY19	FY20
Paid Up Capital		NA	NA
Total Equity		NA	NA
<u>INCOME STATEMENT</u>			
Total income		184	577
Profit Before Tax		158	510
Profit After Tax		158	510
<u>RATIO ANALYSIS</u>			
Net Cash Generated from Operating Activities		(39)	758
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA